

QUARTERLY STATEMENT

OF THE

Physicians Health Choice of Arkansas, Inc.

of Little Rock

in the state of Arkansas

TO THE

Insurance Department

OF THE

STATE OF

Arkansas

FOR THE QUARTER ENDED

June 30, 2011

HEALTH

2011



HEALTH QUARTERLY STATEMENT

13160201120100102

AS OF JUNE 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Choice of AR, Inc

NAIC Group Code	0707	4423	NAIC Company Code	13160	Employer's ID Number	45-0571407
	(Current Period)	(Prior Period)				
Organized under the Laws of	Arkansas			State of Domicile or Port of Entry AR		
Country of Domicile	USA					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity [] Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X] Other [] Is HMO Federally Qualified? Yes [] No [X]					
Incorporated/Organized:	August 7, 2007			Commenced Business: May 30, 2008		
Statutory Home Office:	900 South Shackleford, Ste. 205			Little Rock, AR 72211		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office:	8637 Fredericksburg Rd Ste 360					
	(Street and Number)					
	San Antonio, TX 78240			866-550-4736		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address:	8637 Fredericksburg Rd Ste 360			San Antonio, TX 78240		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records:	8637 Fredericksburg Rd Ste 360			San Antonio, TX 78240 210-949-4110		
	(Street and Number)			(City or Town, State and Zip Code) (Area Code) (Telephone Number)		
Internet Website Address:	n/a					
Statutory Statement Contact:	Laura Ketterman			210-949-4110		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	lketterman@phyhc.com			210-694-4630		
	(E-Mail Address)			(Fax Number)		

OFFICERS

	Name	Title
1.	Kathy Ann Winans	President
2.	Valerie Honore Ruttenberg	Secretary
3.	Robert Worth Oberrender	Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

David B. Orbuch	Cindy Polich	Kathy Ann Winans	

State of
County ofss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Timothy John Noel	Valerie Honore Ruttenberg	Kathy Ann Winans
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Financial Officer	Secretary	President
(Title)	(Title)	(Title)

Subscribed and sworn to before me this	a. Is this an original filing?	[X] Yes [] No
_____ day of _____, 2011	b. If no:	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 2,181,745), cash equivalents (\$ 0), and short-term investments (\$ 0)	2,181,745		2,181,745	2,439,210
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,181,745		2,181,745	2,439,210
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	731,357		731,357	731,357
18.2 Net deferred tax asset	6,041	6,041		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,919,143	6,041	2,913,102	3,170,567
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	2,919,143	6,041	2,913,102	3,170,567

DETAILS OF WRITE-IN LINES				
1101.	NONE			
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	NONE			
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)				
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued		150	150	1,237
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates		21,327	21,327	143,634
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
20. Reinsurance in unauthorized companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$ 0 current)				
24. Total liabilities (Lines 1 to 23)		21,477	21,477	144,871
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	1,000	1,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	8,099,000	8,099,000
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(5,208,374)	(5,074,304)
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	2,891,626	3,025,696
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	2,913,103	3,170,567

DETAILS OF WRITE-IN LINES					
2301.	NONE				
2302.					
2303.					
2398. Summary of remaining write-ins for Line 23 from overflow page					
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)					
2501.	NONE	X X X	X X X		
2502.		X X X	X X X		
2503.		X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page		X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		X X X	X X X		
3001.	NONE	X X X	X X X		
3002.		X X X	X X X		
3003.		X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page		X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X		7,281	15,205
2. Net premium income (including \$ 0 non-health premium income)	X X X	(13,164)	6,138,621	12,794,480
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	(13,164)	6,138,621	12,794,480
Hospital and Medical:				
9. Hospital/medical benefits			5,341,406	11,122,268
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical			1,500,000	2,100,000
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)			6,841,406	13,222,268
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)			6,841,406	13,222,268
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 0 cost containment expenses				
21. General administrative expenses		135,998	1,643,340	3,025,737
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		135,998	8,484,746	16,248,005
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(149,162)	(2,346,125)	(3,453,525)
25. Net investment income earned		1,861	4,125	3,001
26. Net realized capital gains (losses) less capital gains tax of \$ 0				
27. Net investment gains (losses) (Lines 25 plus 26)		1,861	4,125	3,001
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses			(4,541)	(4,541)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(147,301)	(2,346,541)	(3,455,065)
31. Federal and foreign income taxes incurred	X X X			(1,125,517)
32. Net income (loss) (Lines 30 minus 31)	X X X	(147,301)	(2,346,541)	(2,329,548)

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401. OTHER MEDICAL EXPENSE - IBNR			1,500,000	2,100,000
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			1,500,000	2,100,000
2901. (LOSS)GAIN - SALE OF FIXED ASSETS			(4,541)	(4,541)
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(4,541)	(4,541)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	3,025,696	3,073,838	3,073,838
34. Net income or (loss) from Line 32	(147,301)	(2,346,541)	(2,329,548)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	13,230	(83,546)	281,406
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in		2,000,000	2,000,000
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	(134,071)	(430,087)	(48,142)
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,891,625	2,643,751	3,025,696

DETAILS OF WRITE-IN LINES			
4701.	NONE		
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	66	6,109,492	12,829,066
2. Net investment income	1,861	4,125	3,001
3. Miscellaneous income			
4. Total (Lines 1 to 3)	1,927	6,113,617	12,832,067
5. Benefit and loss related payments		6,841,406	13,222,268
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	137,085	1,693,484	3,094,948
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			(1,809,699)
10. Total (Lines 5 through 9)	137,085	8,534,890	14,507,517
11. Net cash from operations (Line 4 minus Line 10)	(135,158)	(2,421,273)	(1,675,450)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		2,000,000	2,000,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(122,307)	(203,620)	(44,597)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(122,307)	1,796,380	1,955,403
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(257,465)	(624,893)	279,953
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,439,210	2,159,257	2,159,257
19.2 End of period (Line 18 plus Line 19.1)	2,181,745	1,534,364	2,439,210

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	1,283							1,283		
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	(13,164)							(13,164)		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	(13,164)							(13,164)		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services										

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 0

NONE Claims Unpaid (Reported and Unreported)

NONE Underwriting and Investment Exhibit

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

Organization and Operations

Effective January 20, 2011, United Healthcare Services, Inc. (UHS) acquired all of the issued and outstanding capital stock of PHC Subsidiary Holdings, LLC the sole shareholder of the Company. Effective January 20, 2011, the Company is a wholly-owned subsidiary of PHC Subsidiary Holdings, LLC which in turn is a wholly owned subsidiary of UHS. UHS is a wholly owned subsidiary of the ultimate parent company, UnitedHealth Group Incorporated (UnitedHealth Group). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange. Prior to the acquisition, the Company was 100% owned by PHC Subsidiary Holdings, LLC, which in turn was 100% owned by the ultimate parent WellMed Medical Management Inc.

A. Accounting Practices

The financial statements of Physicians Health Choice of Arkansas, Inc are presented on the basis of accounting practices prescribed or permitted by the Arkansas Department of Insurance.

The Arkansas Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Code. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Arkansas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. As of June 30, 2011, the Company did not have any balances or transactions that were affected by these differences. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The company uses the following policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Not applicable
- (3) Common stock is stated at par.
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) Not applicable
- (11) Not applicable

- 2. Accounting changes and Corrections of Errors – Not applicable.
- 3. Business Combinations and Goodwill – Not applicable
- 4. Discontinued Operations – The Company did not renew its contract to offer Medicare Advantage benefit plans with the United States Department of Health’s Centers for Medicare and Medicaid Services for 2011. Effective January 1, 2011, the Company no longer offers any insurance products or engages in any other business in the State of Arkansas.
- 5. Investments – Not applicable
- 6. Joint Ventures, Partnerships and Limited Liability Companies – Not applicable
- 7. Investment Income – Not applicable
- 8. Derivative Instruments – Not applicable
- 9. Income Taxes - No change.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Not applicable
- B. Not applicable
- C. Not applicable

NOTES TO FINANCIAL STATEMENTS

- D. At June 30, 2011 the Company reported the following amounts due to:
PHC Subsidiary Holdings, LLC - \$21,682 - attributable to operating expenses
- E. Not Applicable
- F. Effective January 20, 2011, United Healthcare Services, Inc. (UHS) acquired all of the issued and outstanding capital stock of PHC Subsidiary Holdings, LLC the sole shareholder of the Company. Effective January 20, 2011, the Company is a wholly-owned subsidiary of PHC Subsidiary Holdings, LLC which in turn is a wholly owned subsidiary of UHS. UHS is a wholly owned subsidiary of the ultimate parent company, UnitedHealth Group Incorporated (UnitedHealth Group). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange. Prior to the acquisition, the Company was 100% owned by PHC Subsidiary Holdings, LLC, which in turn was 100% owned by the ultimate parent WellMed Medical Management Inc.
- G. Not applicable
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable
- L. Not applicable

11. Debt – Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans – Not applicable

13. Capital and Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

- (1) The Company is a For Profit Corporation and has issued common stock at par value of \$1,000
- (2) The Company has no preferred stock.
- (3) Under the laws of the State of Arkansas, dividends may be declared by HMO at any time from any and all admitted assets in excess of all liabilities, as long as the HMO meets its required deposit and net worth requirements. Dividends are not cumulative.
- (4) As of June 30,2011, the Company has never declared or paid a dividend.
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends/distributions.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) Not applicable
- (11) Not applicable
- (12) Not applicable
- (13) Not applicable

14. Contingencies – Not applicable

15. Leases

A. Lessee Operating Lease

- (1) The Company subleased office space in Little Rock, Arkansas under an operating lease which was terminated on April 30th, 2010. Rental expense totaled \$ 0 for the six months ended June 30, 2011.
- (2) At January 1, 2011, there were no future minimum lease payments.

NOTES TO FINANCIAL STATEMENTS

(3) Not applicable

B. Lessor Leases – Not applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk – Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities –

- A. The Company did not have any transfers of receivables reported as sales as of June 30, 2011 or December 31, 2010.
- B. The Company did not have any transfer and servicing of financial assets as of June 30, 2011 or December 31, 2010.
- C. No transactions involving wash sales of securities with a NAIC designation of 3 or below or unrated securities occurred during the year ended June 30, 2011 or December 31, 2010.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – Not applicable

20. Fair Value Measurements - Not applicable

21. Other Items

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable
- G. Not applicable
- H. Not applicable
- I. Not applicable
- J. Not applicable

22. Events Subsequent – Not applicable

23. Reinsurance – Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses – Not applicable

26. Intercompany Pooling Arrangements – Not applicable

27. Structured Settlements – Not applicable

28. Health Care Receivables – Not applicable

29. Participating Policies – Not applicable

30. Premium Deficiency Reserves – Not applicable

31. Anticipated Salvage and Subrogation – Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state?

Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2 If yes, date of change:

3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y – Part 1 – organizational chart.

Yes [X] No []

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [] No [] N/A [X]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

6.4 By what department or departments?
Arkansas Insurance Department

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes [] No [] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
OptumHealth Bank, Inc.	Salt Lake City, Utah	NO	NO	NO	YES	NO

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....
.....
.....

9.2 Has the code of ethics for senior managers been amended? Yes [X] No []

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
On May 24, 2011, the UnitedHealth Group Board of Directors adopted the newly revised "Code of Conduct: Our Principles of Ethics & Integrity." The Code covers all employees at all levels. The topics covered in the new Code are not considerably different, but the material is now much more user- friendly, intuitive and helpful in both aesthetics and content.

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....
.....
.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

.....
.....
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

GENERAL INTERROGATORIES

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [☐] No [☒]

17.2 If no, list exceptions:
Not applicable

.....

.....

GENERAL INTERROGATORIES

PART 2 - HEALTH

1.

Operating Percentages:

1.1

A&H loss percent

%

1.2

A&H cost containment percent

%

1.3

A&H expense percent excluding cost containment expenses

%
- 2.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]
- 2.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$
- 2.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]
- 2.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$

NONE Schedule S

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
Current Year To Date - Allocated by States and Territories

States, Etc.		1 Active Status	Direct Business Only							
			2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	L		(13,164)					(13,164)	
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate other alien	OT	X X X								
59. Subtotal		X X X		(13,164)					(13,164)	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Totals (Direct Business)		(a) 1		(13,164)					(13,164)	

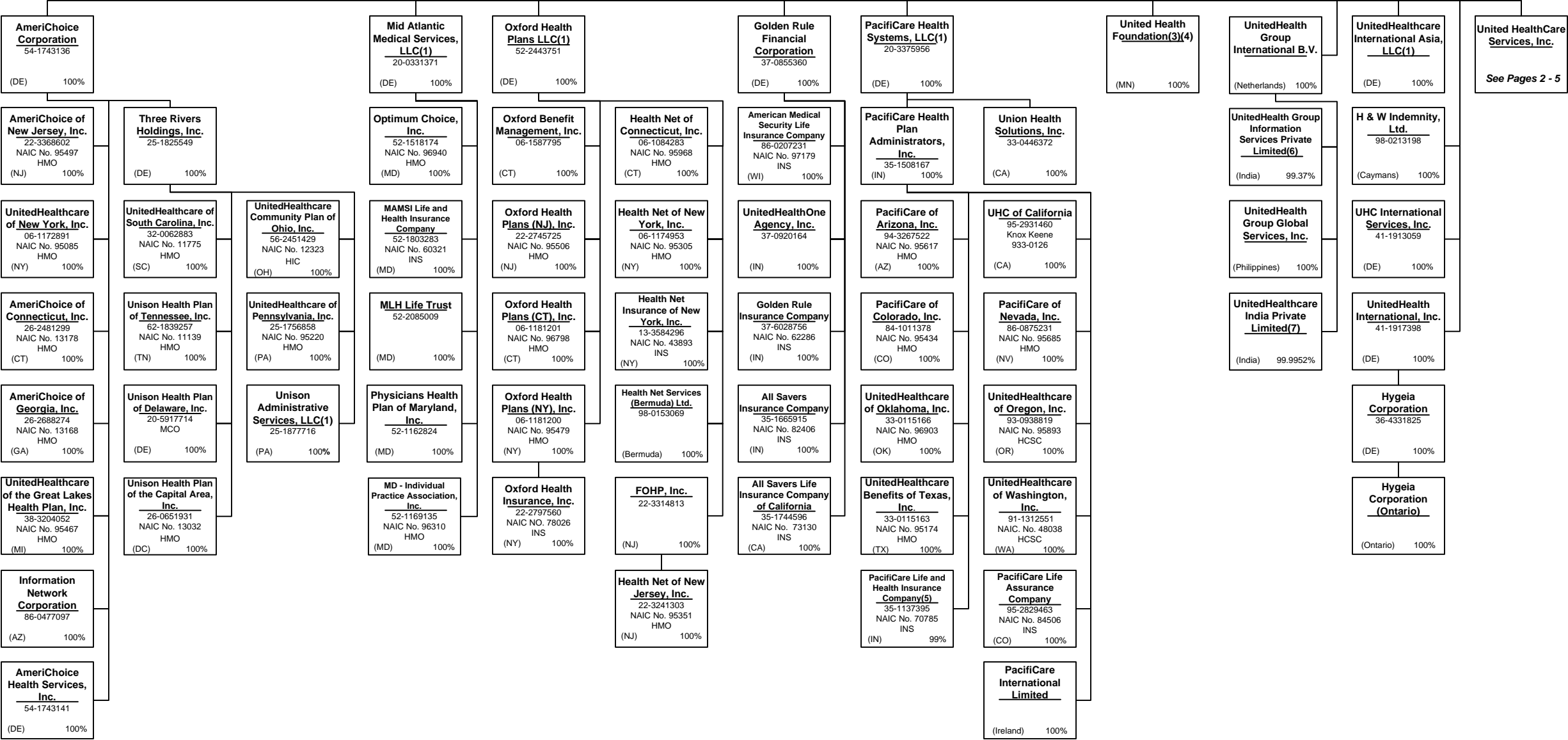
DETAILS OF WRITE-INS									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898. Summary of remaining write-ins for Line 58		X X X							
5899. Totals (Lines 5801 through 5803 plus 5898)									
(Line 58 above)		X X X							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG;(R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer: (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

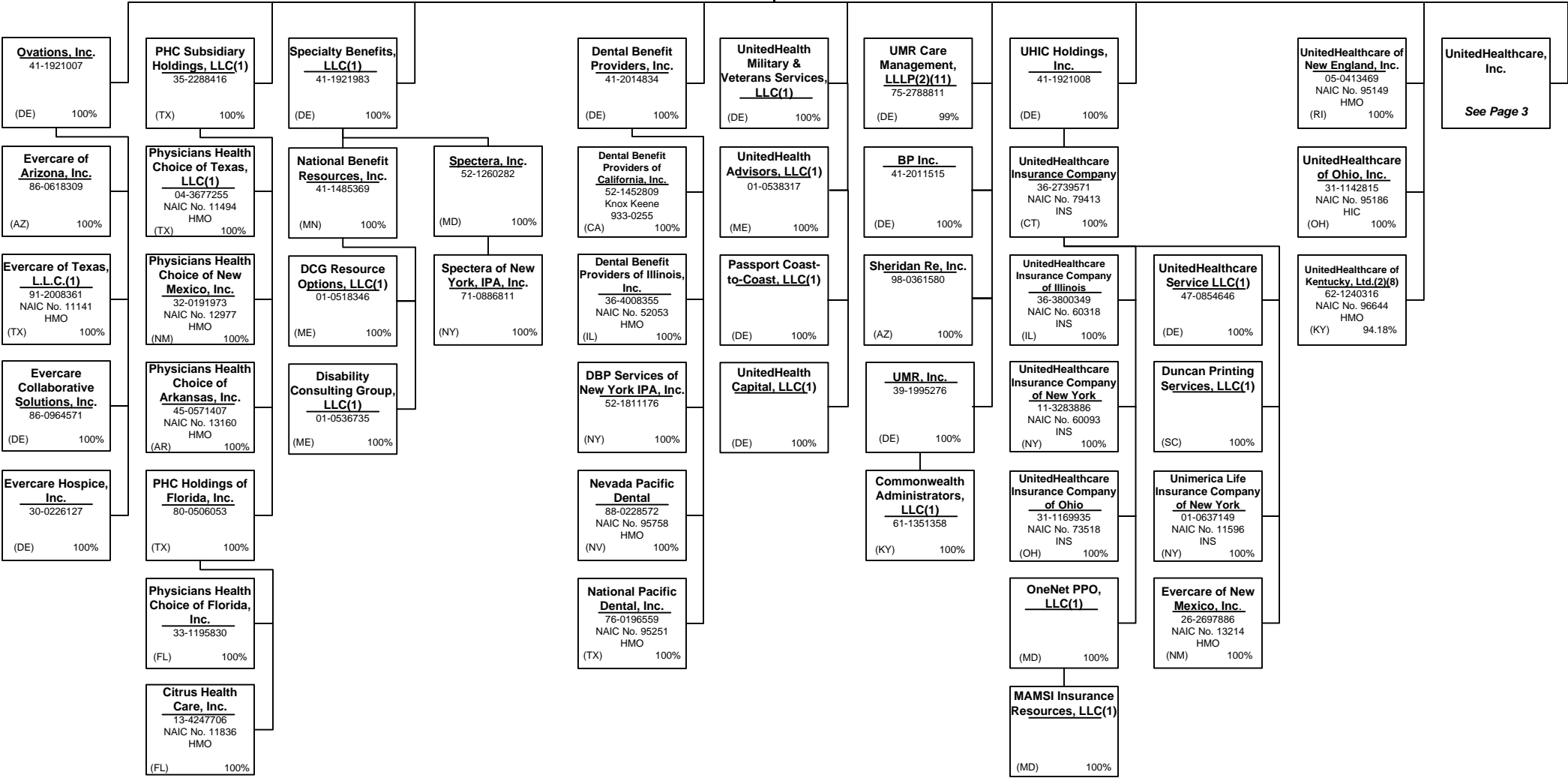
UnitedHealth Group Incorporated
(MN) 41-1321939

PART 1 - ORGANIZATIONAL CHART

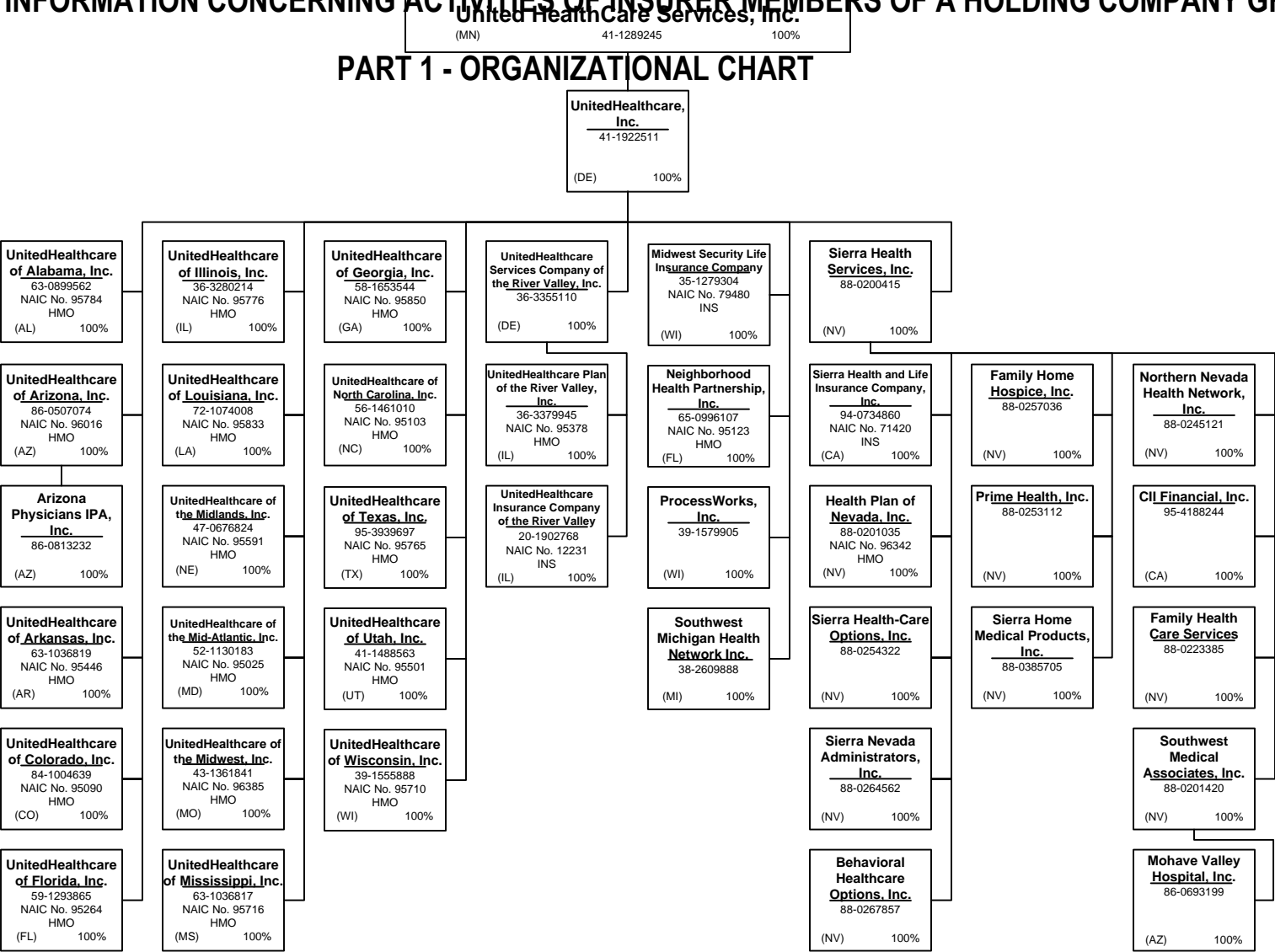


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

United HealthCare Services, Inc.
(MN) 41-1289245 100%
PART 1 - ORGANIZATIONAL CHART



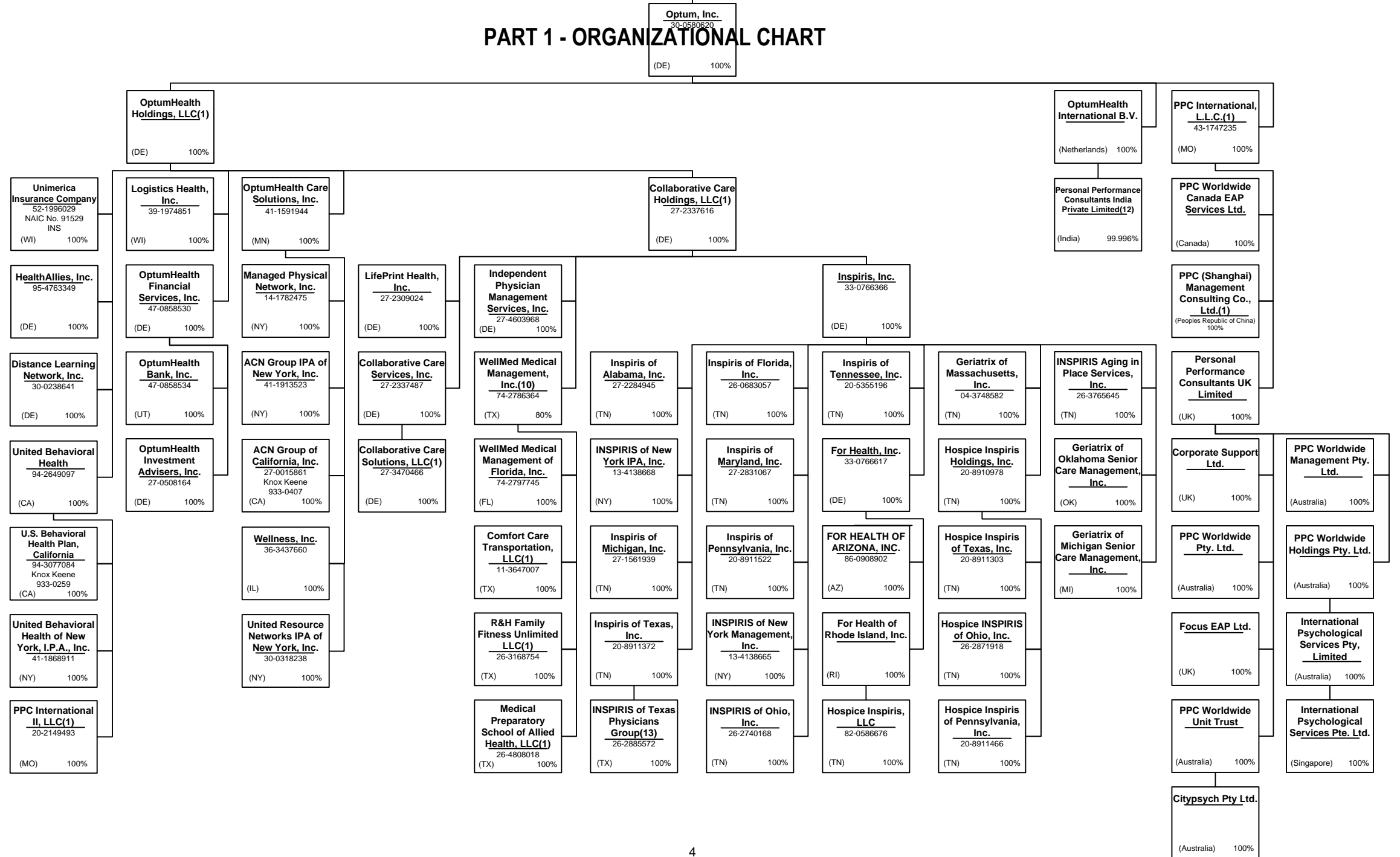
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



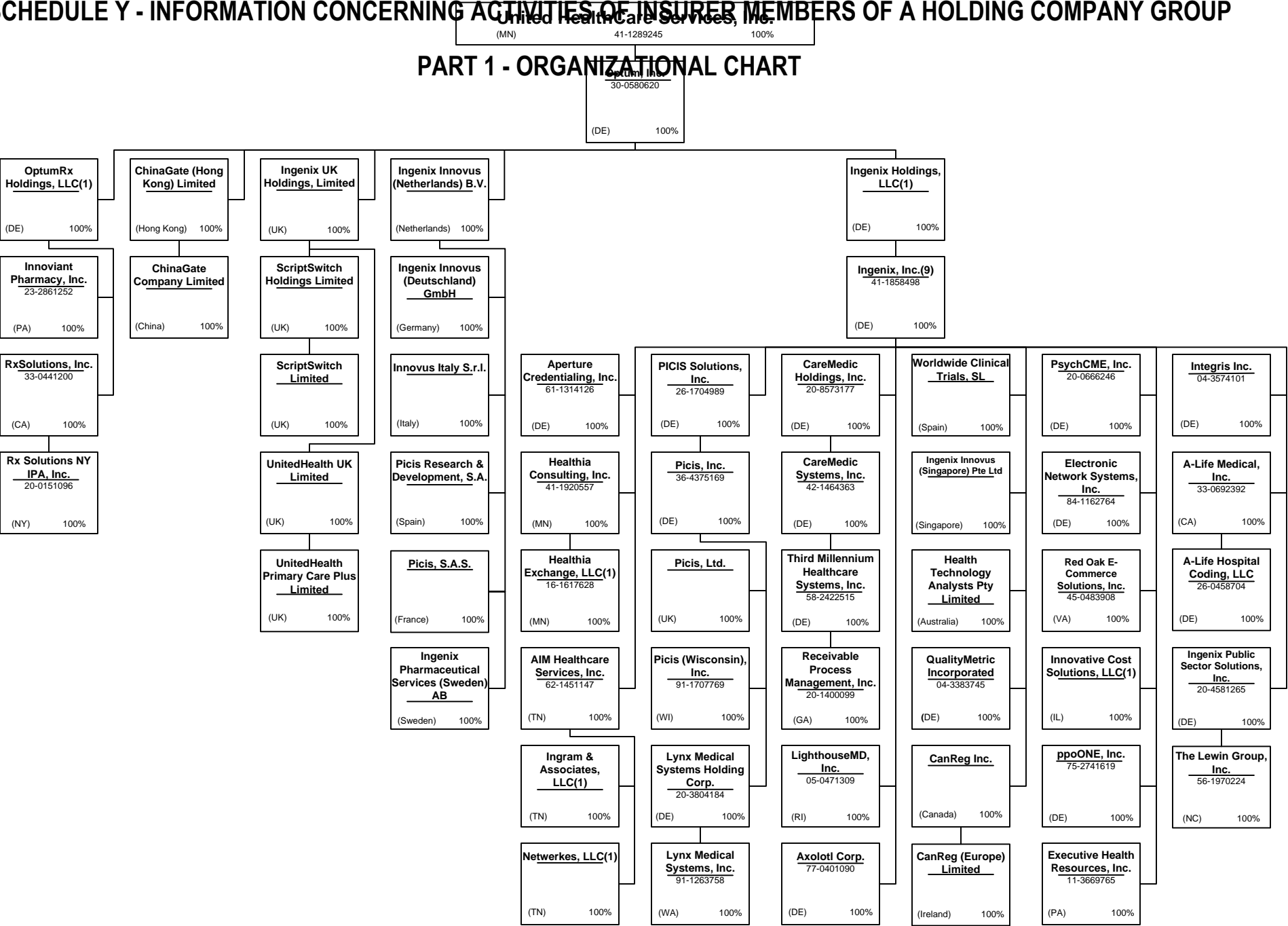
United HealthCare Services, Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

PART 1 - ORGANIZATIONAL CHART

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC
- (6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.
- (7) United Healthcare India Private Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Established a branch, Ingenix, Inc. – Abu Dhabi, located in Abut Dhabi, UAE.
- (10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.
- (11) Limited partnership interest is held by United HealthCare Services, Inc. (99%). General partnership interest is held by UMR, Inc. (1%)
- (12) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris of Texas, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

Response

NO

Explanation:

Not applicable

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

NONE Schedule A, B, BA and D Verification

NONE Schedule D - Part 1B

NONE Schedule DA - Part 1 and Verification

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

NONE Schedule E Verification

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

NONE Schedule D - Part 3

NONE Schedule D - Part 4

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

NONE Schedule DL - Part 1

NONE Schedule DL - Part 2

NONE Schedule E - Part 2